

VZCZCXYZ0013
RR RUEHWEB

DE RUEHAM #1479/01 0601244
ZNR UUUUU ZZH
R 011244Z MAR 06
FM AMEMBASSY AMMAN
TO RUEHC/SECSTATE WASHDC 8525
INFO RUCPDO/DEPT OF COMMERCE WASHDC
RUEHTV/AMEMBASSY TEL AVIV 4043
RUEHJM/AMCONSUL JERUSALEM 3748

UNCLAS AMMAN 001479

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E.O. 12958: N/A
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SUBJECT: TRIDE Hits Its Stride

Ref: 2005 Amman 7327

¶1. Summary: Senior management from the Trilateral Industrial Research and Development (TRIDE) Foundation met Jordanian and USG representatives in Amman on February 20 for a strategic planning session. The productive and upbeat meeting inaugurated the Ministry of Industry and Trade as the lead Jordanian partner in TRIDE. Participants discussed TRIDE's \$1 million budget, past projects, current proposals, and long-term goals. A TRIDE Executive Committee meeting is tentatively scheduled for Jerusalem in March. End summary.

Next Meeting Scheduled For March 2006 in Jerusalem

¶2. This was the first TRIDE meeting since Jordan's \$333,333 contribution last December which completed the second tranche of TRIDE's financing to a total of one million dollars. During the meeting, participants agreed to hold the next TRIDE meeting in March in Jerusalem.

Ministry of Industry and Trade Now in Charge

¶3. Operational management of TRIDE in Jordan is now firmly in the hands of the Ministry of Industry and Trade (MOIT). Jordan's senior contact for TRIDE, MOIT Secretary General Montaser Oklah, said Jordan strongly supports TRIDE and said that TRIDE is now "home" at the MOIT, where it belongs. TRIDE was previously managed by the Ministry of Planning and International Cooperation. Oklah said that Jordan sees great benefits from TRIDE, particularly in technology transfer, which Jordan badly needs.

Pharmaceutical Project Looks Promising

¶4. Dr. Eitan Yudilevich, Executive Director of TRIDE, presented background on TRIDE, and moved quickly to the current situation. TRIDE has a \$1 million budget, and has at least one excellent proposal in development. The project would be between an Israeli, an American and a Jordanian firm for an R&D effort on production of antibiotics. Yudilevich likes the fact that each company has a clear and specific role in the project. As currently structured, this proposal would require \$900,000 from TRIDE, nearly all of TRIDE's budget. Oklah said it was premature to make a decision on this particular project, and added that the financial sustainability of TRIDE is a key concern for Jordan. He said that he doesn't want gaps in TRIDE's projects; he wants to see a smooth stream of projects, not an intermittent one here and there. Oklah suggested, and Yudilevich agreed, that the upcoming TRIDE meeting would be the appropriate forum for further discussion.

Jordan Wants Clear Guidelines and Fast Decisions

15. On the subject of proposal review and approval, Oklah said that clear, systematic evaluation guidelines and a streamlined process would help enable fast decision-making on project proposals. Yudilevich said he would take that on as an action item. Yudilevich also noted that the TRIDE Executive Committee has the ultimate authority in funding decisions, and that it operates by consensus. Each member, he said, would in effect have a veto over any project proposal.

TRIDE's Future - Seeking Deeper Pockets

16. Yudilevich spent some time discussing the future of TRIDE, specifically its level of funding. He advocated a larger endowment for TRIDE. This financial cushion would smooth out the ups and downs of the current funding mechanism and help make TRIDE a success. It would enable TRIDE to "market" its services, to be able to commit to a steady stream of projects, to weather the inevitable failures, and to wait for the repayments that can be years away. Yudilevich said he was under no illusions that this funding would be easy to obtain, and said he was open to new ideas.

Jordan Rep Looks to Private Sector

17. Speaking frankly, Oklah said that supplying those kinds of funds will be "a problem" for the GoJ. He recommended mobilizing private sector support, since business would be the primary beneficiary of TRIDE. While acknowledging Oklah's suggestion, Yudilevich noted that there is always cost-sharing in TRIDE projects: according to TRIDE's rules, TRIDE will fund only up to 50% of the projected R&D costs of a project.

TRIDE to Develop a "White Paper" To Make Case for Funding

18. Oklah asked for supporting information and data on TRIDE to help him make a successful case to the Cabinet for additional funding for TRIDE. He added that "results on the ground" would also be an important factor in persuading the Cabinet to provide additional funding. Yudilevich said he would prepare a "White Paper" to make the case for additional funding.

Participants

19. Jordanian Participants:

- Montaser Oklah, Secretary General, Ministry of Industry and Trade (MOIT)
- Bilal Hmoud, MOIT, Industrial Development Director
- Mohammed Al-Khaldi, Head, Small and Medium-sized Enterprise Section
- Maha Tutunji, Managing Director, Pharmaceutical Research Unit, Royal Scientific Society

Israeli Participants:

- Danny Nevo, Charge d'Affaires, Embassy of Israel, Amman
- Dov Hershberg, retiring Executive Director, US-Israel-Jordan Trilateral Industrial Research and Development Foundation (TRIDE)
- Eitan Yudilevich, incoming Executive Director, TRIDE Foundation
- Uri Attir, Programs Director, TRIDE Foundation

USG Participants:

- Richard Eason, Economics Counselor, Embassy Amman
- Robert Tansey, Environment, Science, Technology and Health (ESTH) Officer, Embassy Tel Aviv
- Jock Whittlesey, Regional ESTH Officer, Embassy Amman

10. Comment: There is genuine enthusiasm for TRIDE in

Jordan. Jordan is ready to engage and has a clear picture of both its needs and its limitations, knowledge which will be critical in making TRIDE an ongoing venture.

11. Embassy Tel Aviv cleared this cable.

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